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Employment and unemployment: An International Perspective, April 2020

Released 14/05/2020

 **Source:** [Labour Force, Australia, April 2020](#)

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International standards

Australia, like most countries, closely follows the international standards on Labour Force statistics. These standards were most recently ratified in 2013, at the [19th International Conference of Labour Statisticians](#) (http://www.ilo.ch/wcmsp5/groups/public/---dgreports/---stat/documents/normativeinstrument/wcms_230304.pdf).

Under these standards, people are classified as employed if they have been stood down and are not working for a short period but maintain an attachment to their job.

Australia limits to 4 weeks the length of time that someone can be effectively attached to a job without pay, and still be classified as employed. The international standards allow for up to three months of being attached to a job without pay and still being classified as employed. Many countries use this longer time period to measure employment (including countries in the European Union and the United Kingdom, for example).

Most countries are yet to report data for April.

The US and Canada

Historically, both the United States and Canada have used a narrower measure of employment than other [OECD countries \(\[https://www.ilo.org/ilostat-files/SSM/SSM3_NEW/E/SSM3.html\]\(https://www.ilo.org/ilostat-files/SSM/SSM3_NEW/E/SSM3.html\)\)](https://www.ilo.org/ilostat-files/SSM/SSM3_NEW/E/SSM3.html). The United States and Canada treat all people formally stood down 'on temporary layoff' as being unemployed.

In most cases this distinction is not material to cross country comparisons, but at a time of major shutdown in the economy, where large numbers of people have been stood down, these differences in treatments are important.

Last week, partly as a result of this measurement difference, the US and Canada reported much larger increases in unemployment in April than the increases for Australia reported in this release.

Given differences in labour markets, and that the term 'layoff' has a particular meaning in the US and Canadian labour markets, it is not straightforward to derive Australian estimates for employment and unemployment that are strictly comparable to the US and Canadian estimates.

Comparing Australian, US and Canadian labour market measures

Table 1 presents the Australian official headline labour market measures along with additional estimates to support comparisons with the US and Canadian estimates. The first additional estimate includes people reporting that they worked zero hours and were 'stood down' (Group 1). The second includes all those reporting that they worked zero hours because of 'no work, not enough work available or were stood down' (Group 2).

Table 1: Additional estimates

| | Mar-20 | Apr-20 | March to April change |
|---|-----------|------------|-----------------------|
| Australia - unemployed people | 718,800 | 823,300 | 104,500 |
| Australia - unemployed people plus employed people in Group 1 | 727,600 | 1,232,800 | 505,000 |
| Australia - unemployed people plus employed people in Group 2 | 746,500 | 1,544,700 | 798,000 |
| Canada - unemployed people (includes temporary layoffs) | 1,547,000 | 2,418,000 | 871,000 |
| United States - unemployed people (includes temporary layoffs) | 7,140,000 | 23,078,000 | 15,938,000 |
| Australia - unemployment rate | 5.2% | 6.2% | +1.0 pts |
| Australia - unemployed people plus Group 1, as a percentage of the labour force | 5.3% | 9.3% | +4.0 pts |
| Australia - unemployed people plus Group 2, as a percentage of the labour force | 5.4% | 11.7% | +6.2 pts |
| Canada - unemployment rate | 7.8% | 13.0% | +5.2 pts |
| United States - unemployment rate | 4.4% | 14.7% | +10.3 pts |
| Australia - participation rate | 66.0% | 63.5% | -2.4 pts |

| | Mar-20 | Apr-20 | March to April change |
|------------------------------------|--------|--------|--------------------------|
| Canada - participation rate | 63.5% | 59.8% | -3.7 pts |
| United States - participation rate | 62.7% | 60.2% | -2.5 pts |

Source: ABS, Statistics Canada , US Bureau of Labor Statistics.

Notes: 'Group 1' refers to employed people working zero hours who indicated they were 'stood down'. 'Group 2' refers to a further expanded group of employed people working zero hours who indicated they had 'no work, not enough work available or were stood down'. The US Bureau of Labor Statistics noted that some people on temporary layoff were not classified as such and the unemployment rate could have been almost 5 percentage points higher. Some of the COVID-19 effects were evident in the Canadian March estimates, because of the timing of their March reference period.

The International Labour Organisation recently [confirmed \(\[https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_741145.pdf\]\(https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_741145.pdf\)\)](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_741145.pdf) that government restrictions around COVID-19 should be treated as an appropriate 'other reason' for people with an attachment to a job to be considered temporarily absent from work. Consistent with this, in both the March and April releases of Labour Force, Australia the ABS has noted that it expects most people in jobs supported by JobKeeper to answer Labour Force Survey questions in a way [that will indicate that they are employed \(/ausstats/abs@.nsf/Lookup/6202.0main+features15Apr 2020\)](#) (based on having a job attachment and also being paid by their employers within an existing employer-employee relationship).

Further information

For further information, email labour.statistics@abs.gov.au (<mailto:labour.statistics@abs.gov.au>).